

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

KATALYST BEVERAGE
CORPORATION,

Plaintiff,

vs.

STARCO IMPEX, INC., et al;,

Defendants.

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. .
. .
. Case No. 10-cv-05521
. .
. Newark, New Jersey
. January 22, 2013
. .
. .

TRANSCRIPT OF HEARING
Settlement Conference
BEFORE THE HONORABLE CATHY L. WALDOR
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

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Also present: Mr. Urban

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JOHN WERNER, ESQ.
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Also present: Mr. Javed

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1 (Commencement of proceedings at 5:49 P.M.)

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3 THE COURT: We're on the record in Katalyst
4 Beverage Corporation versus Starco Impex Inc.; USA Millennium
5 GP LLC; USA Millennium L.P.; M -- oh, you were named
6 individually, Mr. Javed; and Hillside Beverage Packing LLC;
7 Docket Number 10-5521.

8 We've spent several hours in an attempt to settle
9 this case. And we've all come to an amicable settlement. I
10 want to thank the attorneys and I especially want to thank
11 the litigants for their patience. This is a case in which
12 the litigants, without the attorneys, did much of the
13 negotiation.

14 So would you like to put the settlement on the
15 record? Mr. Kohane.

16 MR. KOHANE: Yes, please, Your Honor.

17 David Kohane, Cole, Schotz, Meisel, Forman &
18 Leonard. I represent all the defendants except for Hillside,
19 which is not present, but which I believe is going to be
20 granted a dismissal from the plaintiff's side.

21 MR. SLOANE: That's correct. Peter Sloane for
22 plaintiff Katalyst Beverage Corporation, Your Honor. And we
23 will, in fact, grant a release for third-party defendant
24 Hillside Beverage.

25 MALE SPEAKER: Not third party.

1 MR. SLOANE: Oh.

2 THE COURT: Not third party.

3 MALE SPEAKER: Regular old defendant.

4 MR. SLOANE: Defendant, but not -- not present
5 today, Your Honor.

6 THE COURT: Correct. And why don't we put the
7 appearances of the attorneys on?

8 MR. WERNER: This is John Werner, Your Honor, from
9 Reaud Morgan & Quinn down in Beaumont, Texas, representing
10 Mr. Javed and the associated entities.

11 MR. HALL: And George B. Hall Jr. of Phelps Dunbar
12 in Houston, Texas, representing Markel International
13 Insurance Company, one of Starco Impex's liability insurers.

14 THE COURT: Thank you. And Mr. Kohane.

15 MR. KOHANE: So the terms of the agreement are as
16 follows. First, the full and final mutual releases will be
17 exchanged between the plaintiffs in this case and the
18 defendants in this case, and that includes releases for the
19 pending Texas cases between those parties.

20 Are there any parties in the Texas cases who are
21 not also here? Other than --

22 MR. SLOANE: The distributor.

23 MR. KOHANE: The dis- -- okay. So the releases
24 will include a distributor -- a release for Katalyst,
25 Katalyst Distribution, which is Katalyst's current

1 distributor out of Texas, I believe; right?

2 MR. SLOANE: That's correct.

3 MR. KOHANE: Okay. The -- there's a \$300,000 cash
4 deposit currently in court. It was posted in conjunction
5 with the temporary restraining order. That sum will be
6 ordered to be distributed as follows: \$235,000 will be paid
7 to Starco; and \$65,000 and any accrued interest will be paid
8 to Katalyst. The carrier Markel will pay \$50,000 to
9 Katalyst. Starco's coverage claims that are currently
10 pending in Texas against Markel are reserved. That includes
11 any -- all claims for attorney's fees either currently owed
12 or to be owed to my firm.

13 (Simultaneous conversation)

14 MR. SLOANE: And --

15 THE COURT: Go ahead.

16 MR. SLOANE: Your Honor, thank you, Peter Sloane,
17 again.

18 And to be clear, the -- the release in connection
19 with the Texas litigation between Starco and Katalyst
20 Beverage Corporation includes a release of the -- the appeal
21 filed by Starco as well as the award of attorneys' fees
22 granted to Starco in that Texas litigation.

23 THE COURT: Okay.

24 MALE SPEAKER: And a cross-appeal as well; right?
25 Doesn't Katalyst have a cross-appeal?

1 MR. SLOANE: To the extent there's a cross-appeal,
2 it should also be dismissed.

3 THE COURT: Thank you.

4 Anything else? So Mr. Javed and Mr. Urban, are
5 these settlement terms come to voluntarily by both of you?

6 MR. JAVED and MR. URBAN: Yes.

7 THE COURT: And you've had full participation in
8 negotiating the settlement personally?

9 MR. JAVED and MR. URBAN: Yes, Your Honor.

10 THE COURT: You've had full discussion and
11 disclosure with your respective attorneys?

12 MALE SPEAKER: Yes.

13 THE COURT: Are you satisfied with their
14 representations of you?

15 MR. JAVED and MR. URBAN: Yes.

16 THE COURT: Are either of you under the influence
17 of drugs or alcohol that would prevent you from comprehending
18 the terms of the settlement?

19 MR. JAVED and MR. URBAN: No.

20 THE COURT: Okay. I think that's about it.

21 MALE SPEAKER: Do you want Mr. --

22 THE COURT: Sixty days. Do you want to --
23 Mr. Hall?

24 MR. HALL: I think he wants me to say it's okay.

25 THE COURT: Mr. Hall, you've assented to the terms

1 of this settlement by your \$50,000 contribution from the
2 insurance company Markel; is that correct?

3 MR. HALL: That's correct.

4 THE COURT: Okay. I guess that's about it. Off
5 the record.

6 UNIDENTIFIED SPEAKERS: Thank you, Your Honor.

7 (Conclusion of proceedings at 5:54 P.M.)
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Certification

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I further certify that I am in no way related to any of the parties hereto nor am I in any way interested in the outcome hereof.

s/ *Sara L. Kern*

January 29, 2013

Signature of Approved Transcriber

Date

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